

STATE OF TENNESSEE

Office of the Attorney General



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March 2, 2004

Honorable Deborah Taylor Tate  
Chairman  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243

**IN RE: TARIFF TO RECLASSIFY RATE GROUPING OF CERTAIN  
BELLSOUTH EXCHANGES TARIFF NO. 2004-0055**

**Docket 04-00015**

Dear Chairman Tate:

Enclosed is an original and thirteen copies of the Consumer Advocate and Protection Division's Statement of Undisputed Material Facts in regards to Docket No. 04-00015. Kindly file same in this docket. Copies are being sent to all parties of record. If you have any questions, kindly contact me at (615) 741-1671. Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joe Shirley".

Joe Shirley  
Assistant Attorney General

CC: All Parties of Record.

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**IN THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

<b>IN RE:</b>	)	
	)	
<b>TARIFF TO RECLASSIFY RATE</b>	)	
<b>GROUPING OF CERTAIN BELL SOUTH</b>	)	<b>DOCKET NO. 04-00015</b>
<b>EXCHANGES - TARIFF NO. 2004-0055</b>	)	
	)	

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**CONSUMER ADVOCATE AND PROTECTION DIVISION'S  
STATEMENT OF UNDISPUTED MATERIAL FACTS**

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Comes now Paul G. Summers, Attorney General and Reporter for the State of Tennessee, through the Consumer Advocate and Protection Division of the Office of the Attorney General ("Consumer Advocate"), pursuant to Rule 56.03 of the Tennessee Rules of Civil Procedure, and hereby submits the *Consumer Advocate and Protection Division's Statement of Undisputed Material Facts*.

The Consumer Advocate identifies the following material facts as to which it contends there is no genuine issue for trial:

1. Pursuant to the above-captioned tariff, BellSouth seeks to reclassify 56 telephone exchanges from a lower-rated rate group to a higher-rated rate group. Crocker Affidavit at ¶ 4; Tariff No. 2004-0055, Docket No. 04-00015 (issued Jan. 15, 2004).

2. This rate group reclassification proposal, if approved and allowed to become effective, would cause affected customers to pay more money to BellSouth for basic local exchange telephone services. Crocker Affidavit at ¶ 4; Tariff No. 2004-0055, Docket No. 04-00015 (issued Jan. 15, 2004); BellSouth's January 23, 2004 Response to TRA Staff's January 16, 2004 Data Request, Docket No. 04-00015, Item Nos. 1 and 2, Attachment A (document labeled as "Attachment

B”) (“Present and Proposed Rates and Revenues”).

3. The percentage increase in the amount that these affected customers currently pay for flat-rate residential basic local exchange telephone services would be in the range of 2.6% to 19.8%, depending on the exchange being reclassified. Crocker Affidavit at ¶ 5; BellSouth’s January 30, 2004 Response to TRA Staff’s January 27, 2004 Data Request, Docket No. 04-00015, Item No. 4.

4. For this case, the percentage change in inflation for the United States using the gross domestic product-price index (GDP-PI) from the preceding year as the measure of inflation is 1.6%. Crocker Affidavit at ¶ 7; Transcript, Vol. I at 25-26 (Feb. 20, 2004).

5. If the above-styled tariff is approved and allowed to become effective, BellSouth would experience at least an estimated \$1,970,019 annual revenue increase attributable to the proposed regrouping of residential customers, assuming no change in demand. Crocker Affidavit at ¶ 9; BellSouth’s January 30, 2004 Response to TRA Staff’s January 27, 2004 Data Request, Docket No. 04-00015, Item No. 1.

6. If the above-styled tariff is approved and allowed to become effective, BellSouth would experience an estimated \$154,475 annual revenue decrease attributable to the proposed regrouping of business and all other non-residential customers, assuming no change in demand. Crocker Affidavit at ¶ 10; BellSouth’s January 30, 2004 Response to TRA Staff’s January 27, 2004 Data Request, Docket No. 04-00015, Item No. 2.

7. If the above-styled tariff is approved and allowed to become effective, BellSouth will not offset any resulting annual revenue adjustments against existing headroom per BellSouth’s price regulation plan. Crocker Affidavit at ¶ 11; BellSouth’s January 30, 2004 Response to TRA Staff’s January 27, 2004 Data Request, Docket No. 04-00015, Item No. 3.

8. Effective February 6, 2004, BellSouth implemented a general rate increase of approximately 1.6% for residential basic local exchange telephone services. Crocker Affidavit at ¶ 3; Tariff No. 2004-0010 (issued Jan. 7, 2004).

RESPECTFULLY SUBMITTED,

PAUL G. SUMMERS, B.P.R. #6285  
Attorney General  
State of Tennessee



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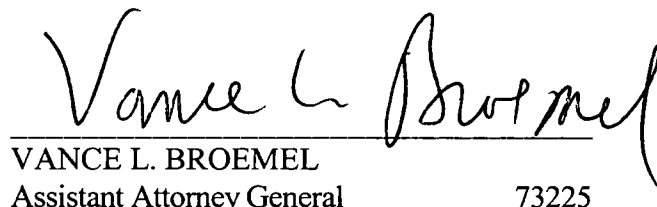
Dated: March 2, 2004

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served via facsimile or first-class U.S. Mail, postage prepaid, on March 2, 2004, upon:

Guy M. Hicks, Esq.  
BellSouth Telecommunications, Inc.  
333 Commerce Street, Suite 2101  
Nashville, Tennessee 37201-3300  
Facsimile: 615-214-7406

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